

NORTH CAROLINA
OFFICE OF STATE HUMAN RESOURCES
Neal Alexander, Director

Appropriations Subcommittee for General Government

March 25, 2015





Agenda



- **OSHR's Vision**
- **Key NCGEAR Recommendations**
 - Temporary Solutions
 - Workers' Compensation Reorganization
 - HR Service Delivery Model
- **Applicant Tracking System**
- **Reorganization Through Reduction (RTR)**
- **New Statewide Compensation System**
- **Performance Management Program**
- **Learning Management System**





Our Vision



*The NC Office of State Human Resources (OSHR) serves as the **Center of Human Resources Expertise** for the State of North Carolina.*

We provide an integrated and professional human resources function that is collaborative, strategic, and customer focused.

Our efforts are centered on attracting, retaining, developing, and motivating a high-performing and diverse workforce.





NCGEAR Recommendations



- Implement business process improvements for **Temporary Solutions**
- Implement cost containment initiatives for **Workers' Compensation**
 - Reduce employee injuries and improve case management
 - Cost savings estimate: **\$17 million/year**
- Facilitate greater consistency and efficiency across state government with new **HR Service Delivery Model**
 - Improve transactional processes for consistency and standardization using technology, communications, and training for HR professionals statewide

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Temporary Solutions



- Provides supplemental staff to fulfill temporary workforce needs due to:
 - Illnesses
 - Vacations
 - Peak production levels
 - Transition periods & other circumstances
- Serves 31 agencies, boards & commissions
- Study conducted by NCGEAR: 8/17/2014 – 9/30/2014
 - Resulted in 38 recommendations primarily in the areas of customer service and operations

Top Users of Temporary Solutions

- | | |
|---------------|-------------------|
| • DHHS | • DOR |
| • DPS | • Commerce |
| • DENR | • DOJ |
| • DPI | • DOA |

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Temporary Solutions



Job Placements (average per year)	
PRIOR to Executive Order 4	1,856
AFTER Executive Order 4	3,996

- Cost Savings Estimate: Since 2013: **\$5-12 million**
(amount dependent on the % of markup in the private sector)
- Administration Fee: \$2/hour
 - Recruitment and selection
 - Payroll processing
 - Unemployment insurance
- Timely payments of invoices is essential
 - With transfer of OSHR's budget to the Governor's Office, a positive fund balance is required to maintain program solvency

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Temporary Solutions



Top NCGEAR recommendations

Customer Service

- Improve communication and business processes
- Increase staff bandwidth
- Update timekeeping and invoice processes
- Develop a standard and transparent service delivery model
- Enhance candidate pool

Operations

- Develop strategic staffing plan
- Increase use of technology
- Reinvest net revenue in operational improvements
- Update payment method
- Develop policy for the State's use of supplemental workforce

Implementation Schedule

March 25, 2015	28%
April 30, 2015	32%
May 29, 2015	40%

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Workers' Compensation



TWO PRINCIPLES: REORGANIZE AND CONSOLIDATE

- Reorganize Existing Resources
- Consolidation, Oversight, and Accountability
 - Require accountability from vendor, agencies, and OSHR
 - Reduce employee injuries and improve case management
- Estimated Cost Savings: \$17 million/year

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HR Services Delivery Model



Consistency + Efficiency = Savings and Standardization

- Improve Transactional Processes by Using
 - Technology
 - Communications
 - Training for HR Professionals Statewide
- Leverage Existing Resources

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Applicant Tracking System



- Technology for administering, documenting, screening, tracking, and reporting of federal and state compliance for recruitment activities
- Current System: NEOGOV
 - Used by 20 states and 1,300 municipalities
 - Implementation + first year cost: **\$152,395**
 - Yearly Cost: **\$72,000**
- Per legislation, RFP will be developed to assess potential alternatives
 - RFP will be released mid-summer 2015
 - Goal: Assess new technology solutions that would generate improvements in the recruitment and selection policy and process
 - Estimated Replacement Cost:
\$375,000 (initial biennium); **\$100,000/year** (recurring)





Reorganization Through Reduction (RTR)



- Voluntary resignation program for employees
- Allows agencies to repurpose vacant positions to reorganize and better align skills sets with business needs
- Status after first two phases of RTR (as of 2/12/15)

Participating Agencies	Eligible Employees	Voluntary Resignations
1. Cultural Resources 2. DOA 3. ITS 4. OSHR	121	25

NOTE:

Eight (8) state employees were released through traditional Reduction in Force (RIF)





Statewide Compensation System



- Transition from two dissimilar classification and pay systems to one market-based system
 - New structure for job families and classifications, and new pay plans
 - New classifications will be market-priced into new pay structures
- Positions will be individually studied and classified in new classification structure
- New, updated policies for pay administration being developed
 - Consistent administration and pay delivery for employees
 - Pay delivery based on market and/or job change

SCOPE		
Cabinet Agencies	Council of State Agencies	Universities
58,082 employees	5,204 employees	21,831 employees

- Schedule: **Planning** 2015; **Implementation** 2016





Statewide Compensation System



Market Pay for Employees

- Move from across the board cost-of-living or legislated increases to market-based increases
- Market-based increases move employees toward the market rate for their occupations
- Increases will be by formula

Examples of State Employee Salaries Compared to Market

Classification	Average Salary	Market Salary
Engineer	\$64,927	\$68,513
Office Assistant IV	\$33,290	\$34,010
Auditor	\$57,944	\$58,573
Professional Nurse	\$55,833	\$57,767





Statewide Compensation System



Current Employee Salaries Across Agencies

Classification	Agency 1	Agency 2	Agency 3	Agency 4
Engineer	\$65,570	\$73,108	\$62,952	N/A
Office Assistant IV	\$32,177	\$32,511	\$33,261	\$31,931
Auditor	\$58,782	\$54,610	\$54,383	\$62,008
Professional Nurse	\$54,900	\$55,887	N/A	N/A



Performance Management Program



- Background
 - Performance Management (PM) has been an arbitrary, poorly monitored process that resulted in inflated ratings of little value
- Updated Human Resources Act (August, 2013) charged OSHR to develop a new statewide PM program
 - Branded **NCVIP** (Valuing Individual Performance)
 - Will go into effect on July 1, 2015
 - Integrated performance management process for:
 - Evaluating employees' knowledge and capabilities
 - Measuring the attainment of goals





Performance Management Program (continued)



- Objectives of NCVIP

- Facilitate regular, effective communication between employees and managers
- Ensure employees understand their performance expectations and how they contribute to the organization's mission
- Allow employees to provide and receive feedback
- Create opportunities for discussions with employees about professional development
- Via rating calibration sessions, establish rating standards that hold managers/supervisors accountable for ratings they give employees





Learning Management System (LMS)



Services

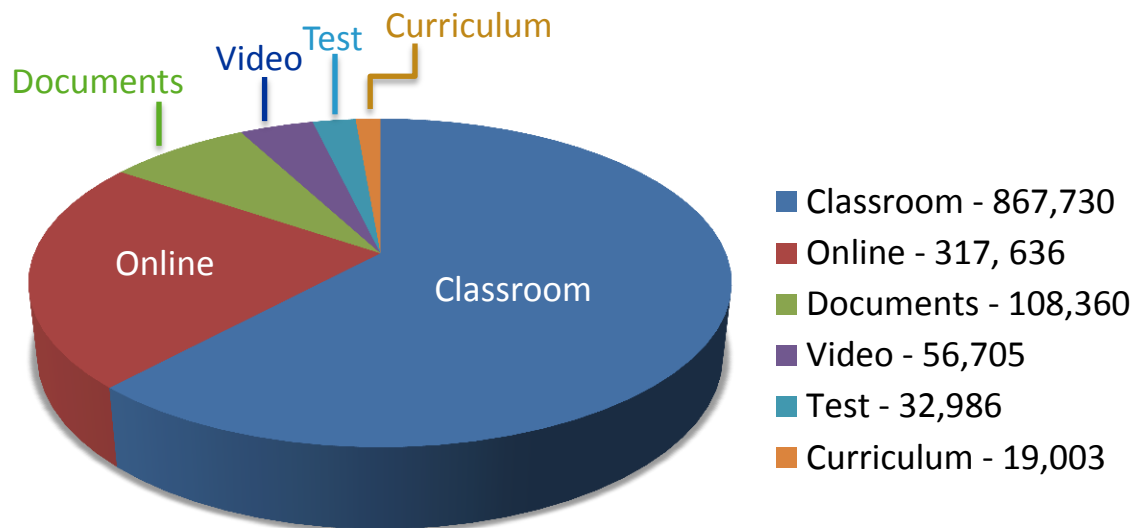
Administer, document, track, and report delivery of training programs, classroom and online events, e-learning programs, and other training content

2014 Year in Review

- User Logins: 55,922
- Learning Completions: 1.4 Million

Budget: \$636,000

- \$8 per employee



Learning by Type



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